

**REAL ESTATE APPRAISER BOARD
JANUARY 18, 2005
LIQUOR CONTROL CONFERENCE ROOM
FIFTH FLOOR-STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH
LINCOLN, NE.**

ADMINISTRATION OF THE OATH OF OFFICE

At 8:55 a.m. Deputy Secretary of State Greg Lemon, administered the oath of office to James Bain, North Platte, who was appointed December 23, 2004, effective January 1, 2005, to serve as a member of the Real Estate Appraiser Board, as the Certified General appraiser, representing the Third Congressional District. Mr. Bain affirmed his intention to support the Constitution of the United States and the Constitution of the State of Nebraska against all enemies, foreign and domestic; that he will bear true faith and allegiance to the same...and will faithfully and impartially perform the duties of the office of the Real Estate Appraiser Board, according to the law and to the best of his ability. At the conclusion of the oath-taking Deputy Secretary of State Lemon and James Bain signed the official documents, sealing the appointment.

Chairman Stoeber presented the official Real Estate Appraiser Board member lapel pin to James Bain.

OPENING

The January 18, 2005 meeting of the Nebraska Real Estate Appraiser Board was called to order at 9:00 a.m. by Vice Chairman Dan Stoeber. Board members Kevin Kroeger, Sheila Newell, and James K. Bain, were present.

NOTICE OF MEETING

Vice Chairman Stoeber referenced publication of official notice of the meeting on January 15, 2005 in the Lincoln Journal Star, a legal newspaper of general circulation in this State, as required by the public meeting law.

AGENDA

Vice Chairman Stoeber asked if there were additions or corrections to the agenda. Newell moved to add to the agenda the minutes of the November 16, 2004 meeting as an emergency item, for the purpose of verifying Board action on applicants and enforcement matters. Newell also requested moving a New Business item "(a) Referee Policy" to follow agenda item "5. Minutes...". Kroeger seconded the motion. Voting aye: Bain, Kroeger, Newell, and Stoeber.

ELECTION OF OFFICERS

Vice Chair Stoeber called for election of officers on this first meeting of 2005. Kroeger nominated Vice Chairman Stoeber for the office of Chairman. Newell seconded the motion. Voting aye: Kroeger, Newell, Bain. Stoeber abstained.

Chairman Stoeber called for election of the Vice Chair. Newell nominated Kroeger. Bain seconded the motion. Voting aye: Newell, Bain, Stoeber. Kroeger abstained.

MINUTES - November 16, 2004 and December 15, 2004

Chairman Stoeber asked for consideration of the minutes of the meetings of November 16, 2004 and December 15, 2004. Newell moved to correct the minutes for November 16th and December 15th. Kroeger seconded the motion. Voting aye: Kroeger, Newell, Bain and Stoeber.

GUESTS

Diane Moore, Certified Residential appraiser, president of the Moore Group; and Perre Neilan, representing Nebraska Realtors Association were present at this meeting. Both signed the guest register and examined the public copy of the information packet provided to the Board members for consideration, question, or comment. No other guests were present during the meeting. Board Attorney John Boehm arrived at 10:00 a.m. as requested by the Board.

REFEREE POLICY

The Referee Policy adopted May 18, 2004 was discussed. Newell stated this issue will continue to be complicated when other state and county agencies adopt and/or change their statutes and rules and regulations on a regular basis. Newell stated the solution would be to exempt appraisers when serving as a referee for a county board of equalization. Newell stated she had been in contact with several Senators and is confident a bill could be introduced this session. After discussion Newell moved to rescind the Referee Policy adopted May 18, 2004. Kroeger seconded the motion. Voting aye: Newell, Bain, Kroeger, and Stoeber.

Discussion continued about introduction of a bill. Newell stated Senator Langemeier is willing to introduce the bill with the Board's support. The proposed wording for the bill would be added to §76-2221: "(8) Any Nebraska appraiser serving as a referee for a county board of equalization pursuant to §76-1502.01." Chairman Stoeber and Vice Chair Kroeger expressed support for this bill. Newell moved that the Board endorse this bill. Kroeger seconded the motion. Voting aye: Bain, Kroeger, Newell, and Stoeber.

BREAK At 9:27 a.m. Chairman Stoeber called for a recess.

The Chairman reconvened the meeting at 9:30 a.m. Board members Bain, Kroeger, and Newell were present, as was Director Hasselbalch.

DIRECTOR'S REPORT-January 18, 2005

Report of the Director was received and filed for the record.

CHAIRMAN'S REPORT

Chairman Stoeber reported on release of the Second Exposure draft from the Appraisal Standards Board (ASB). The ASB proposes doing away with Departure Rule and adding a Scope of Work Rule. Some definitions are being revised. A definition for "credible," which is used throughout the document, is being added. Comments are requested. Deadline for this Second draft is January 21. Chair encouraged input to the ASB on this draft.

Chair Stoeber also spoke about the Regulatory Network meeting in Omaha July 22, 23, and 24, an excellent time for Nebraska appraisers to meet with members of the Qualifications Board (AQB) and the Standards Board (ASB).

The AQB will go over changes in the AQB criteria. The next Exposure Draft also may be available for comment at that time. The AARO meeting will be in St. Louis April 9, 10. October 25, 26, 27 Fall regulatory meetings will be held in Washington, followed by the annual AARO meeting. Chair encouraged Board members to attend those meetings and indicated his support for joining AARO again and suggested further discussion at the February meeting.

EXPENSE REPORT - December 2004

Cash fund balance on November 30, 2004 was \$423,361.99. **December** receipts totalled \$70,861.94, which included 2005 renewal income of \$66,150.00: (41 Certified General, \$24,675.00; 48 Certified Residential, \$8,400.00; 66 License, \$11,550.00; 123 Registered, \$21,525.00). Source of the additional \$4,711.94 income follows: Application fees from seventeen individuals brought in \$1,700. Two new Certified Generals appraiser submitted fee of \$300.00.

Total of \$150 was received for three temporary certified general applications. Receipts from review fees totalled \$180.00. Interest on investments was \$1,231.94. Late fees were paid in the amount of \$1,150.00. Personal Services expenses totalled \$9,270.11. Operating expenses of \$2,327.40 included postage, \$172.30; phone/fax, \$128.45; publications & printing, \$15.71; conference registration/tuition \$720.00; and building rent of \$202.50, and food expense of \$48.91. Also included under operating expenses were payments for legal services in the amount of \$72.50; \$960.00 for contractual services; and records management fees of \$7.03. Travel expenses of \$2,911.74 included \$1,319.58 for board & lodging, \$1,068.65 for commercial transportation; \$467.26 for personal vehicle mileage, and 56.25 for miscellaneous travel expenses (parking etc.). Total monthly expenses for December were \$14,509.25. Cash fund balance December 31, 2004 was \$485,139.68. Appropriation balance after the sixth month in Fiscal Year 2004-2005 is \$167,320.73.

Kroeger moved to ratify the Expense report. Bain seconded the motion. Voting aye: Kroeger, Newell, Bain, and Stoeber.

EXPENSE REPORT - continued

A copy of the "Analyst Information Operating Request Detail Report 2005-2007 Biennium" was given to each Board member.

BREAK

At 9:59 a.m. Chairman Stoeber called for a recess.

The Chairman reconvened the meeting at 10:10 a.m. Board members Bain, Kroeger, and Newell were present, as was Director Hasselbalch and Attorney John Boehm who arrived at 10:00 a.m.

UNFINISHED BUSINESS

a) Law and Rules Committee

Following discussion, the Board named the following members of the Law and Rules committee: Cay Lacey, Brad Moore, Greg Mitchell, Gary Brandt, John Bredemeyer, Dave Malone, Robbi Tonsfeldt, Gary McCormick, and Larry Saxton. Board recommended these members be contacted as soon as possible with the expectation that they begin the process for a completion date in November 2005.

b) Applicant Submission Policy

Newell moved to rescind the current applicant submission policy which was approved, "subject to a rule change," at the May 18, 2004 meeting of the Board. Kroeger seconded the motion. Chair called for the vote. Voting aye: Newell, Bain, Kroeger, Stoeber.

c) Mentor Program

Due to the fact this program is relatively new, it was agreed a review of current mentors and students should be considered. The program was designed for either a school setting or an individual mentoring setting. It was noted the program was not designed for supervisor/trainee, a point of confusion that requires clarification. All agreed an evaluation of the program and possible development of additional guidelines need to be addressed.

d) PES Examination

Kroeger moved that the Board immediately implement the PES examination for the Registered appraisers. Bain seconded the motion. Chair asked for discussion. Discussion followed concerning the current process and the need for an exam that uses psychometrically sound models. Chair called for the vote. Voting aye: Bain, Kroeger, Newell, Stoeber.

BREAK

Before proceeding, Chairman Stoeber called a recess at 10:59 a.m.

The Chairman reconvened the meeting at 11:07 a.m. Board members Bain, Kroeger, and Newell were present, as were Director Hasselbalch and Attorney John Boehm.

EDUCATION

Seminar Approval

Vice Chairman Kroeger announced the names of seminars and providers under consideration.

Having reviewed the materials submitted by all education providers, Kroeger moved to approve the following seminar:

National USPAP Update, a 7-hour seminar, to be offered by **Mid-West Appraisers Association**. Bain seconded the motion. Voting aye: Newell, Bain, Kroeger. Stoeber abstained.

Kroeger then moved to approve the following seminars:

Appraisal Review: General, a 7-hour seminar to be offered by **The Appraisal Institute**;

Case Studies in Residential Highest and Best Use, a 7-hour seminar to be offered by **The Appraisal Institute**;

EDUCATION continued

Seminar Approval continued

Appraisal Review: Single Family Residential, a 7-hour seminar to be offered by **The Appraisal Institute**;

Bain seconded the motion. Voting aye: Bain, Kroeger, Newell, Stoeber.

Kroeger recommended denial of the 16-hour seminar, Presentation Skills, offered by IRWA unless additional information is provided by the sponsoring organization as to how this seminar relates to appraisal education. Bain seconded the motion. Voting aye: Kroeger, Newell, Bain, Stoeber.

Regarding the five home-study seminars presented for approval by Dearborn Publishing Co., Property Management and Managing Risk, Real Estate and Taxes, Real Estate Finance Today, Red Flags Property Inspection, and Environmental Issues in Real Estate Vice Chair Kroeger recommended the seminars not be approved due to the fact both seminars and the instructors would have to be submitted for approval by the sponsoring schools. Bain seconded the motion. Voting aye: Bain, Kroeger, Newell, Stoeber.

In the matter of Advanced Issues in Appraising, a 14-hour homestudy seminar, offered by the **Foundation of Real Estate Appraisers, Orange CA**, Vice Chair Kroeger recommended placing a hold on this seminar, with instructions to the Director to request a complete application packet relating to this seminar, as well as information regarding current renewal status by the AQB.

Vice Chair Kroeger continued the motion to approve renewal of the following semester courses offered by **Central Community College - Columbus Campus** for appraiser continuing education:

Real Estate Management, a 30-hour semester course, and
Real Estate Principles and Practices, a 30-hour introduction to the study of real estate.

Newell seconded the motion. Voting aye: Bain, Kroeger, Newell, Stoeber.

Instructor Approval

Kroeger moved to approve the following instructors for the "National USPAP Update" seminar:

Lynne Heiden and **Barry Shea** for Mid-West Appraisers Association. Bain seconded the motion.

Chair called for the vote. Kroeger, Newell, Bain. Stoeber abstained.

Kroeger moved to hold over until the February meeting the request for approval of **Ross Acheson**, instructor for "Advanced Issues in Appraising."

The Vice Chair continued, moving to approve the following instructors:

Margaret Hambleton, Columbus OH, as instructor for the following seminars to be offered by The Appraisal Institute: "Appraisal Review: Single-Family Residential" and "Case Studies in Highest & Best Use;"

Kenneth Foltz, Tampa, FL, as instructor for the "Appraisal Review: General," to be offered by The Appraisal Institute, Chicago;"

Jamie Ferguson, Columbus, NE, as instructor for "Real Estate Management," and "Real Estate Principles and Practices," to be offered by Central Community College - Columbus;

Stanley Brobeck, Walnut Creek, CA, as instructor for "Appraising the Oddball" and "Appraising for the Secondary Market:"

Mr. Kroeger continued the motion, with a non-approval for instructor **Dr. Alvin Goldberg**, until additional information is reported on the IRWA seminar, "Presentation Skills."

Newell seconded the motion. Voting aye: Newell, Bain, Kroeger, and Stoeber.

EDUCATION continued

National USPAP Update Status

Status of the 2004 USPAP Update provided by Mid-West Appraisers Association was discussed. Board attorney John Boehm was asked to render an opinion as to the action the Board can take on this matter. Boehm stated that an opinion would be given to the Board at the February meeting.

BREAK

At 11:45 a.m. Chairman Stoeber called for a lunch break. At 1:19 p.m. Chairman Stoeber reconvened the meeting. Board members Bain, Kroeger, and Newell were present, as was Director Hasselbalch.

EXECUTIVE SESSION

At 1:20 p.m. Vice Chair Kroeger moved that the Board go into Executive Session for the purpose of reviewing qualifications of instructors, applicants for appraiser Registration, License and Certification, for the purpose of considering written complaints relating to the appraisal of real property, and for the purpose of reviewing personnel matters. The motion continued: A closed session is clearly necessary for the prevention of needless injury to the reputation of the individual or individuals involved in the personal matters relating to applications to be reviewed, performance, and disciplinary matters to be considered. Newell seconded the motion. Voting aye: Bain, Kroeger, Newell, Stoeber.

OPEN SESSION

At 3:58 p.m. Kroeger moved and Bain seconded a motion to come out of closed session. Voting aye: Kroeger, Bain, and Stoeber. Newell was not present at 3:58 p.m..

MOTIONS TO ACT ON CLOSED SESSION AGENDA

Chairman Stoeber opened the floor to discussion of closed session agenda items.

APPLICANTS

Kroeger moved to take the following actions relating to applications:

To approve Registered applicants Isaac Schwartzenberger, Omaha; Cynthia Monroe, Valentine; Kelly Lubash, Omaha;

To approve Certified Residential applicant Elizabeth Duncan, Kearney.

Bain seconded the motion. Voting aye: Bain, Kroeger, Stoeber.

ENFORCEMENT

Kroeger moved to take the following actions:

04-25 Close;

04-23 Board member is to review file and make recommendation if conference in February is needed.

04-22 Board member will conduct informal conference.

04-21 Invitation to Respondent and Respondent's supervisor for informal conference in February;

04-20 Letter to Respondent requesting voluntary agreement to complete two-day tested USPAP prior to June 1, 2005, in lieu of Consent Agreement;

04-19 Authorize Chair to sign Consent Agreement;

04-18 Respondent to complete 2-day tested USPAP by AQB qualified instructor, and a 15-hour tested report writing course by June 1, 2005 by voluntary agreement.

04-13 Letter to Respondent requesting a duplex appraisal for Board review;

04-09 Invitation to informal conference in February;

03-18 Send letter to Respondent (attorney), outlining specific non-compliance with USPAP; letter to be reviewed by the Chair, subject to clarification of restrictions stated in letter sent 10/27/04, and requesting signature on Consent Agreement.

ENFORCEMENT continued

03-06 Cautionary letter to Respondent and dismiss.

03-02 Authorize Chair to sign Consent Agreement.

Bain seconded the motion. Voting aye: Kroeger, Bain, Stoeber.

Future Meetings

February 16, 2005

March 15, 2005

ADJOURNMENT

At 4:10 p.m. Chairman Stoeber adjourned the meeting.

Respectfully submitted,

Marilyn Hasselbalch
Director